

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

C

W-02060A
Cordes Lakes Water Company
PO Box 219
Tempe, AZ 85280

RECEIVED

APR 07 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
----	----	------

FOR COMMISSION USE

ANN 04	07
--------	----

PROCESSED BY:

4-7-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>CORDES LAKES WATER CO</u>			
Mailing Address <u>PO Box 219</u>			
<u>TEMPE</u>		<u>AZ</u>	<u>85280</u>
(City)		(State)	(Zip)
<u>480-966-5804</u>	<u>480-967-7857</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>PO Box 219</u>			
<u>TEMPE</u>		<u>AZ</u>	<u>85280</u>
(City)		(State)	(Zip)
<u>480-966-5804</u>	<u>480-967-7857</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: _____			
(Name)		(Title)	
_____	_____	_____	_____
(Street)	(City)	(State)	(Zip)
_____	_____	_____	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>Don Ross</u>			
(Name)			
<u>PO Box 219</u>	<u>TEMPE</u>	<u>AZ</u>	<u>85280</u>
(Street)	(City)	(State)	(Zip)
<u>480-966-5804</u>	<u>480-967-7857</u>	<u>928-713-1959</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: NEIL FOLKMAN

(Name)

2501 E. PALO VERDE PKY AZ 85016

(Street)

(City)

(State)

(Zip)

780-966-5804

Telephone No. (Include Area Code)

480-967-7857

Fax No. (Include Area Code)

602-361-8307

Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

CORDES LAKES WATER CO

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	35,180	0	35,180
304	Structures and Improvements	17,846	16,556	1,290
307	Wells and Springs	115,718	73,214	42,504
311	Pumping Equipment	109,753	74,175	35,578
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	273,572	125,060	88,392
331	Transmission and Distribution Mains	631,149	608,352	22,797
333	Services			
334	Meters and Meter Installations	217,705	135,807	81,898
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	43,987	10,537	33,450
340	Office Furniture and Equipment	11,767	3,358	8,409
341	Transportation Equipment	68,242	18,500	49,741
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,489,738	1,125,679	364,059

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	35,875	0	
304	Structures and Improvements	17,846	5	892
307	Wells and Springs	115,718	5	5786
311	Pumping Equipment	109,753	5	5488
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	273,572	4.8	
331	Transmission and Distribution Mains	431,149	2	14,708
333	Services			
334	Meters and Meter Installations	217,205	5	10,885
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	43,987	5	2199
340	Office Furniture and Equipment	11,767	5	588
341	Transportation Equipment	68,242	5	3412
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,489,738		43,958

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 24,471 24,471	\$ 33 33,908
134	Working Funds		
135	Temporary Cash Investments	64,216	
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 138,687	\$ 33,908
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,433,647	\$ 1,489,738
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	1,038,765	1,125,679
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 393,882	\$ 364,059
	TOTAL ASSETS	\$ 532,569	\$ 397,967

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 10,645	\$ 13,952
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	72,575	61,245
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 83,220	\$ 75,197
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	64,644	59,959
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 64,644	\$ 59,959
	TOTAL LIABILITIES	\$ 147,864	\$ 135,156
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 100,000	\$ 100,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	376,207	162,811
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 476,207	\$ 262,811
	TOTAL LIABILITIES AND CAPITAL	\$ 532,569	\$ 397,967

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 395,206	\$ 354,422
460	Unmetered Water Revenue		378,560
474	Other Water Revenues		
	TOTAL REVENUES	\$ 395,206	\$ 354,422 378,560
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 184,435	\$ 163,243
610	Purchased Water		
615	Purchased Power	24,325	20,881
618	Chemicals		
620	Repairs and Maintenance	23,275	19,999
621	Office Supplies and Expense	14,861	21,489
630	Outside Services	22,958	38,781
635	Water Testing	6,250	7,998
641	Rents	44,200	39,900
650	Transportation Expenses	17,432	13,825
657	Insurance – General Liability	6,456	7,303
659	Insurance - Health and Life	31,113	33,664
666	Regulatory Commission Expense – Rate Case		6,000
675	Miscellaneous Expense	13,061	23,795
403	Depreciation Expense	42,955	43,958
408	Taxes Other Than Income	56,484	24,604
408.11	Property Taxes	20,207	18,633
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 507,014	\$ 483,073
	OPERATING INCOME/(LOSS)	\$ <111,808>	\$ <104,513>
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 2,035	\$ 4,685
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	<549>	3,987
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$ 698
	NET INCOME/(LOSS)	\$ <110,322>	\$ <103,815>

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 61,245

Meter Deposits Refunded During the Test Year \$ 9,110

COMPANY NAME	
Name of System:	ADEQ Public Water System Number: AZ04-13023

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-690346	7 1/2	214	404	14	3	1972
55-518196	7 1/2	200	500	8	3	
55-609234	2	50	555	6	3	
55-609347	7 1/2	215	500	12	3	
55-565855	7 1/2	310	343	10	3	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7 1/2	8		
5	5		
10	2		
2 1/2	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
45,000	2		
30,000	2	5000	4
16,000	1	3000	1
100,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	168,100
5		
6	PVC	234,000
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	
3/4	1384
1	5
1 1/2	
2	1
Comp. 3	
Turbo 3 (well)	6
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

EMERGENCY CHLORINATORS

STRUCTURES:

PUMP HOUSES - CONCRETE BLOCK OR WOOD
AT EACH WELL SITE

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	
Name of System:	ADEQ Public Water System Number: <u>AZ04-13023</u>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1262	4,947	5268	
FEBRUARY	1269	4,694	5222	
MARCH	1271	4,888	5545	
APRIL	1280	5,944	6859	
MAY	1285	7,832	8394	
JUNE	1288	9,059	9953	
JULY	1292	8,385	9864	
AUGUST	1297	7,298	9047	
SEPTEMBER	1296	7,648	8675	
OCTOBER	1301	5,675	6589	
NOVEMBER	1318	4,733	5145	
DECEMBER	1317	5,675	6137	
TOTALS →		76,778	86,698	-0-

What is the level of arsenic for each well on your system? < 10 mg/l
(If more than one well, please list each separately.) (ALL)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME _____

YEAR ENDING 12/31/2007

PROPERTY TAXESAmount of actual property taxes paid during Calendar Year 2007 was: \$ 17,633

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. SEE ATTACHED TAX RECORDS

CORDES LAKES WATER CO. 2006 21
RD. BOX 118
TEMPLE, AZ 85361-0118

PAID TO THE ORDER OF YAVAPAI COUNTY
Eight Thousand Eight Hundred Eighty and 00/100
YAVAPAI COUNTY

MEMO 842 84-300 3

5555 5265

01/02/2007

\$ 8,800.00

DOLLARS

0005555 61221053 2007 0100005693 00000888000

CORDES LAKES WATER COMPANY
RD. BOX 118
TEMPLE, AZ 85361-0118

PAID TO THE ORDER OF YAVAPAI COUNTY
One Hundred Eighty-One and 80/100
YAVAPAI COUNTY

MEMO 500-36-1200 4

5265

01/02/2007

\$ 121.80

DOLLARS

0005555 6122105278 0818574550 00000818

3:50 PM

03/30/08

Accrual Basis

CORDES LAKES WATER COMPANY Transaction Detail By Account

January through December 2007

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
564 · TAXES - PROPERTY								
Check	1/31/2007	14316	YAVAPAI COUNTY			102 · CHECK-...	500.00	500.00
Bill	6/9/2007	2nd 1/...	YAVAPAI COUNTY	943-84-300-2		2000 · Account...	8,880.00	9,380.00
Bill	10/7/2007		YAVAPAI COUNTY	new lot in nrf...		2000 · Account...	161.60	9,541.60
Bill	10/23/2007	943-8...	YAVAPAI COUNTY	943-84-300-2...		2000 · Account...	68.06	9,609.66
Bill	10/23/2007	943-8...	YAVAPAI COUNTY	943-84-390-3...		2000 · Account...	7,899.14	17,508.80
Bill	10/23/2007	500-2...	YAVAPAI COUNTY	500-28-008-4...		2000 · Account...	96.18	17,604.98
Bill	10/23/2007	500-2...	YAVAPAI COUNTY	500-28-253-8...		2000 · Account...	121.36	17,726.34
Bill	10/23/2007	500-3...	YAVAPAI COUNTY	500-31-090-9...		2000 · Account...	121.36	17,847.70
Bill	10/23/2007	500-3...	YAVAPAI COUNTY	500-32-486-9		2000 · Account...	113.10	17,960.80
Bill	10/23/2007	500-3...	YAVAPAI COUNTY	500-33-061-1		2000 · Account...	172.42	18,133.22
Total 564 · TAXES - PROPERTY							18,133.22	18,133.22
TOTAL							48,433.22	18,433.22
								17,633

THIS ITEM SHOULD HAVE BEEN
CLASSIFIED AS A PERMIT NOT
FROM TF

COPY OF THIS CITEIC UNAVAIL.
COPIES OF TAX RECORDS ENCL.

YAVAPAI COUNTY
GOVERNMENT *Arizona*

Property Tax Inquiry

**NOTICE: ALL TAXES FOR 2006 AND PRIOR MUST BE
PAID BY CASHIERS CHECK.**[Tax Search](#) [Search Results](#) [Owner/Legal](#) [Tax Summary](#) [★ View Detail](#) [Pay Online](#) [General Info](#) [2007 Tax I](#)**Parcel: 943-84-300****Taxes Billed & Paid**

Found 4 Record(s)

Year	Tax
2007	\$68.06
2006	\$75.92
2005	\$80.22
2004	\$83.36

Information updated 03/28/2008

© 2008 Yavapai County Government Prescott Arizona 86305. All rights reserved.



Property Tax Inquiry



**NOTICE: ALL TAXES FOR 2006 AND PRIOR MUST BE
PAID BY CASHIERS CHECK.**

[Tax Search](#) [Search Results](#) [Owner/Legal](#) [★ Tax Summary](#) [View Detail](#) [Pay Online](#) [General Info](#) [2007 Tax](#)

Parcel: 943-84-390

Tax Summary

Interest is calculated through 03/31/

Found 3 Record(s)

Year	Cert/Tax	Interest Due	Fees Due	Total Due	Status	More info.....
2004 - 2006	\$0.00	\$0.00	\$0.00	\$0.00	Paid	View Detail
2007 - 1ST	\$7,899.14	\$0.00	\$0.00	\$0.00	1st-Half Paid	
2007 - 2ND	\$7,899.14	\$0.00	\$0.00	\$7,899.14	Current	

View Detail: Pertains only to fully-paid years.

Information updated 03/28/2008

© 2008 Yavapai County Government Prescott Arizona 86305. All rights reserved.

YAVAPAI COUNTY
GOVERNMENT *Arizona*

Property Tax Inquiry

**NOTICE: ALL TAXES FOR 2006 AND PRIOR MUST BE
PAID BY CASHIERS CHECK.**[Tax Search](#) | [Search Results](#) | [Owner/Legal](#) | [Tax Summary](#) | [☆ View Detail](#) | [Pay Online](#) | [General Info](#) | [2007 Tax Bill](#)**Parcel: 500-28-008 4****Taxes Billed & Paid**

Found 25 Record(s)		
Year	Tax	
2007		\$96.18
2006		\$79.18
2005		\$103.96
2004		\$95.18
2003		\$92.20
2002		\$79.36
2001		\$74.24
2000		\$61.88
1999		\$66.50
1998		\$72.24
<<Prev Page Next Page>>		

Information updated 03/28/2008

© 2008 Yavapai County Government Prescott Arizona 86305. All rights reserved.

YAVAPAI COUNTY
GOVERNMENT *Arizona*

Property Tax Inquiry

**NOTICE: ALL TAXES FOR 2006 AND PRIOR MUST BE
PAID BY CASHIERS CHECK.**[Tax Search](#) | [Search Results](#) | [Owner/Legal](#) | [Tax Summary](#) | [★ View Detail](#) | [Pay Online](#) | [General Info](#) | [2007 Tax Bill](#)**Parcel: 500-31-090 9****Taxes Billed & Paid**

Found 25 Record(s)		
Year	Tax	
2007		\$121.36
2006		\$96.80
2005		\$104.76
2004		\$98.88
2003		\$96.00
2002		\$83.64
2001		\$78.54
2000		\$61.88
1999		\$66.50
1998		\$72.24
<<Prev Page Next Page>>		

Information updated 03/28/2008

© 2008 Yavapai County Government Prescott Arizona 86305. All rights reserved.

YAVAPAI COUNTY
GOVERNMENT *Arizona*

Property Tax Inquiry

**NOTICE: ALL TAXES FOR 2006 AND PRIOR MUST BE
PAID BY CASHIERS CHECK.**[Tax Search](#) | [Search Results](#) | [Owner/Legal](#) | [Tax Summary](#) | [★ View Detail](#) | [Pay Online](#) | [General Info](#) | [2007 Tax Bill](#)**Parcel: 500-28-253 8****Taxes Billed & Paid**

Found 25 Record(s)

Year	Tax
2007	\$121.36
2006	\$99.88
2005	\$90.20
2004	\$95.18
2003	\$92.20
2002	\$79.36
2001	\$74.24
2000	\$61.88
1999	\$66.50
1998	\$72.24

<<Prev Page Next Page>>

Information updated 03/28/2008

© 2008 Yavapai County Government Prescott Arizona 86305. All rights reserved.

YAVAPAI COUNTY
GOVERNMENT *Arizona*

Property Tax Inquiry

**NOTICE: ALL TAXES FOR 2006 AND PRIOR MUST BE
PAID BY CASHIERS CHECK.**[Tax Search](#) | [Search Results](#) | [Owner/Legal](#) | [Tax Summary](#) | [☆ View Detail](#) | [Pay Online](#) | [General Info](#) | [2007 Tax Bill](#)

Parcel: 500-32-486 9

Taxes Billed & Paid

Found 25 Record(s)		
Year	Tax	
2007		\$113.10
2006		\$87.98
2005		\$120.54
2004		\$107.90
2003		\$104.42
2002		\$95.34
2001		\$89.48
2000		\$70.72
1999		\$75.98
1998		\$82.58
<<Prev Page Next Page>>		

Information updated 03/28/2008

© 2008 Yavapai County Government Prescott Arizona 86305. All rights reserved.

YAVAPAI COUNTY
GOVERNMENT *ARIZONA*

Property Tax Inquiry

**NOTICE: ALL TAXES FOR 2006 AND PRIOR MUST BE
PAID BY CASHIERS CHECK.**[Tax Search](#) | [Search Results](#) | [Owner/Legal](#) | [Tax Summary](#) | [★ View Detail](#) | [Pay Online](#) | [General Info](#) | [2007 Tax Bill](#)**Parcel: 500-33-061 1****Taxes Billed & Paid**

Found 25 Record(s)		
Year	Tax	
2007		\$172.42
2006		\$151.38
2005		\$124.68
2004		\$108.82
2003		\$112.32
2002		\$106.42
2001		\$102.20
2000		\$88.42
1999		\$95.02
1998		\$103.20

<<Prev Page Next Page>>

Information updated 03/28/2008

© 2008 Yavapai County Government Prescott Arizona 86305. All rights reserved.

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>NEIL FOLICMAN</u>
COMPANY NAME
<u>CORNES LAKES WATER</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2007</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

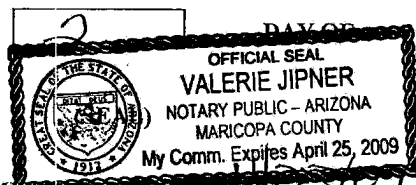
602-956-1680

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

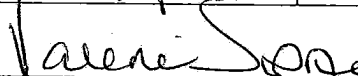
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



MY COMMISSION EXPIRES 4/25/09

COUNTY NAME
<u>Maricopa</u>
MONTH
<u>April</u> <u>2008</u>



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME _____

YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported LOSS
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported LOSS
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3/30/07
DATE

MARK FOLKMAN
PRINTED NAME

VP
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

APR 07 2008

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	AZ CORP COMM
NAME (OWNER OR OFFICIAL) TITLE	Director Utilities
NEW FOLKMAN	
COMPANY NAME	CORDES LAKES WATER CO

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 378,560

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 24,138
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER _____

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 29th DAY OF

COUNTY NAME	MARICOPA
MONTH	MARCH 2008




SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED

APR 07 2008

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA	
NAME (OWNER OR OFFICIAL)	NEIL FOLKMAN	TITLE VP
COMPANY NAME	CORDES LAKES WATER CO	

AZ CORP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 378,560

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 24,138
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

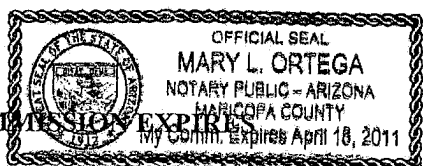
29th

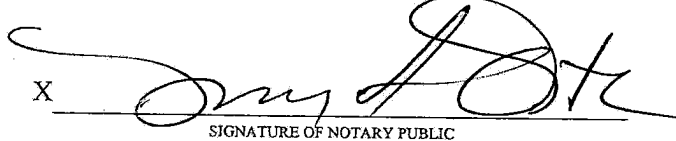
DAY OF

NOTARY PUBLIC NAME	Mary Ortega	
COUNTY NAME	MARICOPA	
MONTH	March	2008

(SEAL)

MY COMMISSION EXPIRES



X 
SIGNATURE OF NOTARY PUBLIC